



**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock)

As of Dec. 31, 2023:	89,089,701 shares	As of Mar. 31, 2023:	89,065,301 shares
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2) Number of shares of treasury stock at the end of the period

As of Dec. 31, 2023:	8,423,277 shares	As of Mar. 31, 2023:	8,422,649 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	80,654,507 shares	Nine months ended Dec. 31, 2022:	80,592,673 shares
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Note 1: The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information currently available to the Company. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors.

## Qualitative Information on Quarterly Consolidated Financial Performance

### Explanation of Results of Operations

During the first nine months of the fiscal year under review, the Japanese economy continued to recover as economic activities normalized and the number of foreign tourists increased following the reclassification of COVID-19 as a category 5 infection. However, the outlook remains uncertain due to prolonged conflicts in Europe, growing tensions in the Middle East, the impact of global monetary tightening on the economy, and concerns about the effects of rising prices and exchange rate fluctuations accompanying soaring energy and raw material costs.

Amid these conditions, the Sanrio Group set the current fiscal year as the final year of the three-year medium-term management plan “Creating and Challenging for our Future” concluding in the fiscal year ending March 31, 2024, and we have steadily implemented various initiatives based on the three pillars of this plan: corporate culture reform, initiation and completion of domestic and overseas structural reforms, and planting the seeds for regrowth strategies and growth markets. In addition, Hello Kitty celebrates its 50th anniversary in 2024, and limited-edition products as well as various events are being offered as part of its 50th Anniversary Year (November 2023–December 2024). The celebration has received support from people of all ages.

At domestic shops and theme parks, the reclassification of COVID-19 and successful implementation of various measures in addition to a sharp rise in the numbers of domestic customers and foreign tourists boosted sales. In the licensing business, the strategy of featuring a wide range of Sanrio characters, both in Japan and overseas, proved successful, and product development from existing licensees increased, contributing to the growth in sales.

Moreover, the membership of Sanrio+, an app for Sanrio fan members, reached around 1.70 million as of the end of December 2023.

As for consolidated operating profit, the Company posted a substantial increase due to significant sales growth both in Japan and overseas, as well as improved profitability due to the control of operating expenses at an appropriate level through structural reforms.

As a result of these factors, sales rose 40.3% year-on-year to 72.4 billion yen, operating profit increased 101.8% year-on-year to 21.3 billion yen, ordinary profit rose 104.2% year-on-year to 22.4 billion yen, and net profit attributable to owners of parent rose 137.6% year-on-year to 16.1 billion yen.

Since the accounting period for all overseas consolidated subsidiaries runs from January to December, the fiscal year under review for these subsidiaries covers the period from January to September 2023.

### Reportable Segment

(100 millions of yen)

	First nine months of	Sales				Segment profit (operating profit)			
		FY2022	FY2023	Increase/ decrease	Change (%)	FY2022	FY2023	Increase/ decrease	Change (%)
Japan	Product sales/others	300	407	107	35.8	78	150	72	92.2
	Royalties	77	103	25	32.3				
	Total	378	510	132	35.1				
Europe	Product sales/others	(0)	(0)	0	-	(1)	2	3	-
	Royalties	12	17	4	36.4				
	Total	12	17	4	36.9				
North America	Product sales/others	13	14	1	10.6	6	14	8	126.1
	Royalties	29	60	31	107.4				
	Total	42	75	32	77.4				
Latin America	Product sales/others	0	0	0	30.1	0	1	0	177.4
	Royalties	3	5	2	65.0				
	Total	3	5	2	63.5				
Asia	Product sales/others	4	24	19	410.6	32	54	22	68.7
	Royalties	74	90	15	21.4				
	Total	79	115	35	44.9				
Adjustment		-	-	-	-	(9)	(8)	1	-
Consolidated	Product sales/others	318	447	128	40.4	106	213	107	101.8
	Royalties	197	277	79	40.1				
	Total	516	724	207	40.3				

Note: Regional subsidiaries overseas pay the amount of royalties commensurate as the cost of sales while the Japanese parent company (the copyright holder) calculates this income as sales. Because consolidated transactions are eliminated, however, these are not included in Japan's sales figures stated above (although included in segment profit (operating profit)).

Further, the above sales figures are "sales to customers," and the inter-segment sales, which are not limited to the above-mentioned royalties, are eliminated as internal transaction sales.

### Explanation of Financial Position

At the end of the third quarter of the current fiscal year, total assets stood at 158.8 billion yen, an increase of 58.0 billion yen from the end of the previous fiscal year. The main increases were 46.0 billion yen in cash and deposit, 5.1 billion yen in accounts receivable-trade, 3.0 billion yen in merchandise and finished goods, and 2.4 billion yen in investments and other assets.

Liabilities increased 42.0 billion yen from the end of the previous fiscal year to 86.4 billion yen. The main increases were 2.2 billion yen in short- and long-term borrowings and corporate bonds (including current portion of bonds to be redeemed), 31.1 billion yen in convertible-bond-type bonds with share acquisition rights, 2.9 billion yen in trade notes and accounts payable, and 1.9 billion yen in accrued income taxes.

Net assets increased 16.0 billion yen from the end of the previous fiscal year to 72.3 billion yen. The main increases were 12.7 billion yen in retained earnings and 3.8 billion yen in foreign currency translation adjustments. The main decrease was 1.2 billion yen in remeasurements of defined benefit plans.

As a result, the equity ratio was 45.3%, down 10.3 percentage points from the end of the previous fiscal year.

Reference: Overseas Sales and Profits for the Past Three Years by Area

(Millions of yen)

Nine months ended		Sales to customers					Operating profit				
		Dec. 2021	Dec. 2022	Change (%)	Dec. 2023	Change (%)	Dec. 2021	Dec. 2022	Change (%)	Dec. 2023	Change (%)
Europe	Germany	743	859	15.6	1,244	44.8	(220)	(220)	-	86	-
	UK	448	389	(13.3)	464	19.5	149	64	(56.7)	118	83.1
	Subtotal	1,192	1,248	4.7	1,709	36.9	(70)	(155)	-	205	-
North America	USA	2,152	4,230	96.6	7,503	77.4	(378)	637	-	1,440	126.1
Latin America	Brazil/Chile	264	364	37.6	595	63.5	34	45	31.3	125	177.4
Asia	Hong Kong	1,082	967	(10.6)	1,183	22.3	338	243	(28.3)	291	19.7
	Taiwan	675	802	18.7	968	20.8	185	217	17.0	248	14.5
	South Korea	411	1,047	154.3	2,033	94.1	63	334	428.9	767	129.2
	China	3,004	4,347	44.7	6,241	43.6	1,300	2,278	75.2	3,893	70.9
	Singapore	-	794	-	1,103	38.9	-	161	-	256	58.6
	Subtotal	5,175	7,958	53.8	11,530	44.9	1,887	3,235	71.4	5,456	68.7
Total		8,784	13,802	57.1	21,339	54.6	1,473	3,762	155.4	7,228	92.1

## Quarterly Consolidated Financial Statements and Notes

## (1) Consolidated Balance Sheets

(Millions of yen)

	FY2022 (As of Mar. 31, 2023)	Third quarter of FY2023 (As of Dec. 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposit	52,008	98,022
Notes receivable-trade	313	550
Accounts receivable-trade	8,392	13,511
Merchandise and finished goods	3,894	6,921
Work in process	299	111
Raw materials and supplies	348	563
Other accounts receivable	441	453
Other	1,210	1,440
Allowance for doubtful accounts	(156)	(117)
Total current assets	66,752	121,458
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	3,296	3,306
Land	6,140	6,161
Other, net	3,914	4,615
Total tangible fixed assets	13,350	14,083
Intangible fixed assets	2,244	2,655
Investments and other assets		
Investment securities	9,720	9,599
Deferred tax assets	145	68
Other	8,816	11,245
Allowance for doubtful accounts	(332)	(312)
Total investments and other assets	18,350	20,600
Total fixed assets	33,946	37,339
Deferred assets	5	3
Total assets	100,704	158,800
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	4,074	7,013
Short-term borrowings	9,086	9,883
Accrued income taxes	1,563	3,548
Contract liabilities	4,062	4,937
Allowance for bonuses	638	285
Provision for shareholder benefit program	39	29
Provision for point card certificates	8	7
Other	8,273	8,451
Total current liabilities	27,746	34,157
Long-term liabilities		
Corporate bonds	141	39
Convertible-bond-type bonds with share acquisition rights	-	31,103
Long-term borrowings	10,378	12,085
Retirement benefit liability	1,020	1,025
Other	5,121	8,057
Total long-term liabilities	16,662	52,310
Total liabilities	44,408	86,467

	(Millions of yen)	
	FY2022 (As of Mar. 31, 2023)	Third quarter of FY2023 (As of Dec. 31, 2023)
Net assets		
Shareholders' equity		
Capital	10,000	10,074
Capital surplus	3,468	3,543
Retained earnings	56,211	68,920
Treasury stock	(19,528)	(19,531)
Total shareholder's equity	50,152	63,007
Accumulated other comprehensive income		
Net unrealized gain (loss) on other securities	383	808
Deferred hedge gain (loss)	2	(1)
Foreign currency translation adjustments	1,707	5,549
Remeasurements of defined benefit plans	3,758	2,544
Total accumulated other comprehensive income	5,853	8,901
Non-controlling interests	290	424
Total net assets	56,295	72,333
Total liabilities and net assets	100,704	158,800

**(2) Consolidated Income Statements and Consolidated Comprehensive Income Statements****Consolidated Income Statements  
(For the Nine-month Period)**

(Millions of yen)

	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)
Sales	51,625	72,425
Cost of sales	15,967	20,494
Gross profit	35,657	51,930
Selling, general and administrative expenses	25,055	30,540
Operating profit	10,602	21,390
Non-operating profit		
Interest income	342	703
Interest on securities	-	18
Dividend income	121	100
Foreign exchange gains	173	75
Gain on investments in partnership	-	202
Other	376	244
Total non-operating profit	1,013	1,345
Non-operating expenses		
Interest expense	120	134
Commission expenses	100	108
Loss on investments in partnership	326	-
Other	59	13
Total non-operating expenses	606	256
Ordinary profit	11,009	22,478
Extraordinary gains		
Gain on sales of fixed assets	1	0
Gain on sales of investment securities	312	-
Gain on liquidation of subsidiaries and associates	-	570
Other	2	-
Total extraordinary gains	316	571
Extraordinary losses		
Loss on disposal of fixed assets	13	5
Loss on sale of investment securities	46	12
Loss on valuation of investment securities	122	-
Impairment loss	1	1
Business restructuring expenses	-	12
Other	0	-
Total extraordinary losses	184	31
Net profit before income taxes	11,141	23,017
Income taxes – current	2,382	5,679
Income taxes for prior periods	1,297	-
Income taxes – deferred	618	1,114
Total income taxes	4,298	6,794
Net profit	6,843	16,223
Net profit attributable to non-controlling interests	53	87
Net profit attributable to owners of parent	6,790	16,136

**Consolidated Comprehensive Income Statements**  
**(For the Nine-month Period)**

(Millions of yen)

	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)
Net profit	6,843	16,223
Other comprehensive income		
Net unrealized gain (loss) on other securities	103	424
Deferred hedge gain (loss)	(2)	(4)
Foreign currency translation adjustments	4,457	3,880
Remeasurements of defined benefit plans, net of tax	171	(1,214)
Total other comprehensive income	4,730	3,086
Comprehensive income	11,573	19,310
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,462	19,184
Comprehensive income attributable to non-controlling interests	111	125



**Segment and Other Information**

## I. First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)

## 1. Information related to sales and profit or loss for each reportable segment (Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated income statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	37,823	1,248	4,230	364	7,958	51,625	-	51,625
(Royalty income)	( 7,791)	( 1,253)	( 2,918)	( 348)	( 7,478)	( 19,790)	( -)	( 19,790)
Inter-segment	6,339	19	26	6	1,387	7,779	(7,779)	-
(Royalty income)	( 5,778)	( 1)	( -)	( -)	( -)	( 5,780)	( 5,780)	( -)
Total	44,162	1,268	4,257	370	9,345	59,405	(7,779)	51,625
Segment profit (loss)	7,826	(155)	637	45	3,235	11,588	(986)	10,602

Notes: 1. The minus 986 million yen adjustment to segment profit (loss) is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.

2. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated income statements.

## 2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Detailed explanations are omitted due to immateriality of the amount.

## II. First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)

## 1. Information related to sales and profit or loss for each reportable segment (Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated income statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	51,085	1,709	7,503	595	11,530	72,425	-	72,425
(Royalty income)	( 10,308)	( 1,710)	( 6,052)	( 574)	( 9,077)	( 27,723)	( -)	( 27,723)
Inter-segment	9,569	35	47	14	3,285	12,953	(12,953)	-
(Royalty income)	( 8,802)	( 2)	( -)	( -)	( -)	( 8,805)	( 8,805)	( -)
Total	60,655	1,744	7,551	610	14,816	85,378	(12,953)	72,425
Segment profit	15,039	205	1,440	125	5,456	22,268	(878)	21,390

Notes: 1. The minus 878 million yen adjustment to segment profit is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.

2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated income statements.

## 2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Detailed explanations are omitted due to immateriality of the amount.

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*